



State Water Project Briefing: Financial and Operations Update
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Introduction

The third State Water Project (SWP) briefing of 2026 will focus on two main areas: the SWP's financial outlook and how the SWP is operating within this current water year. It will also feature a presentation by the State Water Contractors (SWC), an association formed of 27 of the public water agencies who receive water from the SWP, on their perspective of the SWP's financial standing.

Background

The SWP, consisting of 36 water storage facilities and 700 miles of rivers, pipelines, and canals, supplies water to 27 million people and irrigates 750,000 acres of farmland. The system includes 21 pumping plants, powered by a system of power-generation and power-recovery plants. The SWP also operates the world's tallest water lift – the Edmonston Pumping Plant – which pumps water more than 1,900 feet up and over the Tehachapi Mountains into Southern California.

Goal Five of the [Commission's Strategic Plan](#) directs the Commission to receive briefings on the SWP on an annual basis, and to produce a report, as specified by Water Code section 165, that includes findings and, as appropriate, recommendations for DWR and the Legislature. Through these briefings and reports, the Commission aims to improve the public's understanding of decision making within the SWP and create accountability by using previous findings and recommendations to guide subsequent briefings.

Meeting Overview

At this meeting, SWP Deputy Director John Yarbrough will provide a high-level overview of how the SWP's current operations and priorities relate to the SWP financial outlook. SWP Financial Manager Hong Lin will provide a brief overview of the SWP's budget process and the calendar year 2026-27 budget. SWP Water Operations Manager Tracy Hinojosa will provide an update on current-year operations, including the current water year allocation, planning decisions made to date, current hydrology, and considerations for the next several months. Additionally, Erik Goodman, Financial Manager for the SWC, will provide the SWC's perspective on the annual SWP budget, cost pressures, and other budgetary considerations.

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Following their remarks, the Commission will hear Tribal and public comment on the information presented. Commissioners will then have an opportunity to ask questions and make comments.

This is an informational item.

Contact

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